

## **INTRODUCTION:**

All licensed Illinois household goods carriers are required by regulation to submit to the Commission an annual report providing financial and operational data. The information contained in these annual reports is not audited and is accepted from the movers in good faith. This analysis presents data as submitted by the carriers for 1997, 1998 and 1999 and provides a summary of the three year period, as well as a comparison of individual years within the three year period.

Over the three year period, there were 561 firms who filed annual reports with the Commission, of these, 365 were actively engaged in providing household goods moving service to the public. The household goods moving industry is a significant component of Illinois' economy. The industry performs about 166,000 moves each year, generating an annual revenue from intrastate moving of approximately \$105 million and employing approximately 8,500 individuals. Nationally, according to the American Moving and Storage Association, the moving industry generates about \$7 billion in revenue and relocates approximately 42,000,000 people per year.

## **BACKGROUND:**

The annual report is divided into three sections. The first section requests information on the mover's overall operations with general questions as to gross revenue and expense, total miles traveled, number of trucks and number of employees. This section of the annual report does not distinguish between intrastate and interstate moving operations nor does it distinguish from other for-hire trucking operations conducted by the firm. Only 23 percent of all active movers derive 100 percent of their revenue from intrastate moving. Most movers offer other types of motor carrier services.

The second section of the annual report requests information regarding Illinois intrastate moves from dwelling to dwelling. In 1997 and 1998, this section asked the mover to specify what percentage of overall revenue is derived from Illinois household goods shipments, the number of local moves (hourly moves, less than 35 miles) made within Illinois and the number of weight-distance moves made within Illinois. In 1999, the survey was changed so that respondents provided the actual number of moves and actual revenue from all operations, and that derived from intrastate moves only.

The third section of the annual report requests firm name, address, telephone number and ownership information. If a firm is a corporation, then the percentage owned by each of the partners is required. If a change in ownership of the company has occurred during the year, then this section requests that the mover indicate such by checking the appropriate box. Finally, the annual report requests that the individual filing the report provide their name, title, telephone and/or fax number, email address and to date the report.

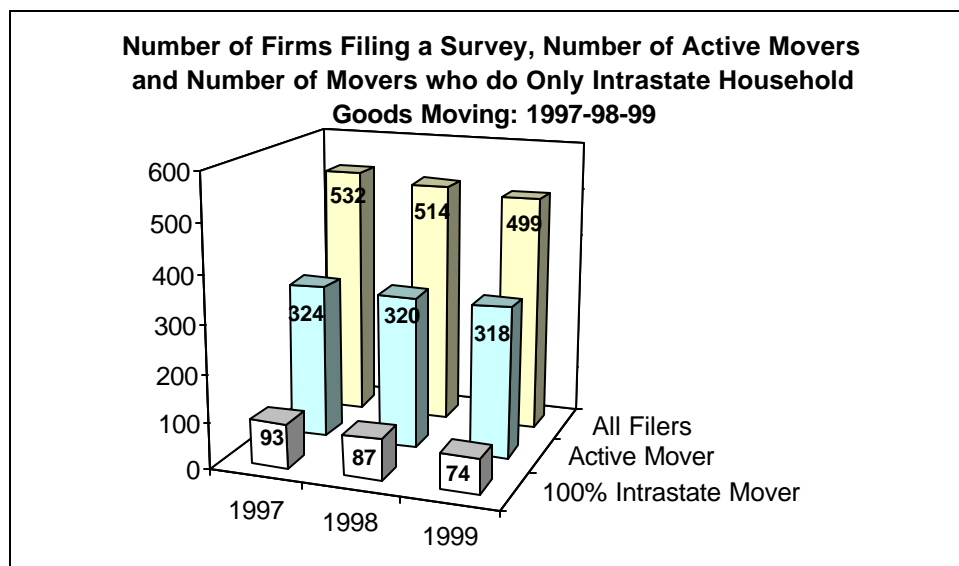
## ANALYSIS - PART 1 - ALL OPERATIONS OF ACTIVE MOVERS:

The analysis will present a number of tables summarizing the financial and operational data contained within the annual reports submitted to the Commission. The analysis is divided into two parts; Part 1 examines all operations of the 365 firms which were identified as active movers. Part 2 examines only the portion of the firms' operations that deals specifically with intrastate moving activities.

### Number and stability of movers: 1997-98-99

The moving industry within Illinois is fairly stable with a limited number of new entrants or companies exiting the market each year. The comparison of 1997, 1998 and 1999 data provided in Figure 1, indicates a six percent decline in the number of firms who filed a report. The number of firms who indicated that they actively provide household goods service declined by a little under two percent, going from 324 firms in 1997, down to 318 firms in 1999. An active household goods carrier is one who generates at least one dollar of household goods revenue or performs at least one move. The number of active movers who derive all of their income from intrastate moves declined by twenty percent between 1997 and 1999. The reason for the decline in the number of movers who derive all of their income from intrastate household goods moving is likely to be the relative ease with which carriers can expand their authority into the movement of household goods in interstate commerce, as well as offering other types of motor carrier services.

Figure 1. Number of firms filing annual reports, number of active movers and number of active movers who derive 100 percent of their income from intrastate moving.



## Headquarters location

The majority of firms licensed to provide moving services reported headquarters locations in Illinois. A small number, 25 out of 365, reported headquarters locations in Iowa, Indiana, Kentucky, Minnesota, Missouri, New Jersey or Wisconsin. 158 Illinois cities have active movers; likewise 45 of Illinois' 102 counties, also have an active mover headquartered within the county. Chicago has the most active movers, with 78 firms providing a headquarters address for Chicago. Slightly over two-thirds, or 255 of the 365 active movers provide a headquarters location in the six counties of northeastern Illinois; Cook, DuPage, Kane, Lake, McHenry, and Will. Table 1 provides a summary of the number of movers by county.

Table 1. Headquarters locations by county for active movers.

County	Number	County	Number
Adams	1	LaSalle	2
Bureau	2	Lee	1
Champaign	7	Macon	3
Clay	1	Macoupin	3
Coles	1	Madison	3
Cook	173	Marion	2
De Kalb	2	Massac	1
DeKalb	1	McDonough	1
DuPage	42	McHenry	7
Edgar	1	McLean	4
Effingham	1	Morgan	1
Fulton	2	Peoria	7
Grundy	1	Perry	1
Henry	1	Rock Island	4
Jackson	2	Sangamon	5
Jefferson	1	St Clair	5
Jersey	1	Stephenson	2
Jo Daviess	1	Tazewell	1
Kane	12	Whiteside	1
Kankakee	3	Will	8
Kendall	2	Williamson	1
Knox	2	Winnebago	4
Lake	13	<b>Total in Illinois</b>	<b>340</b>

Figure 2 on the following page provides an illustration of the distribution of firms which provide intrastate moving service in Illinois.

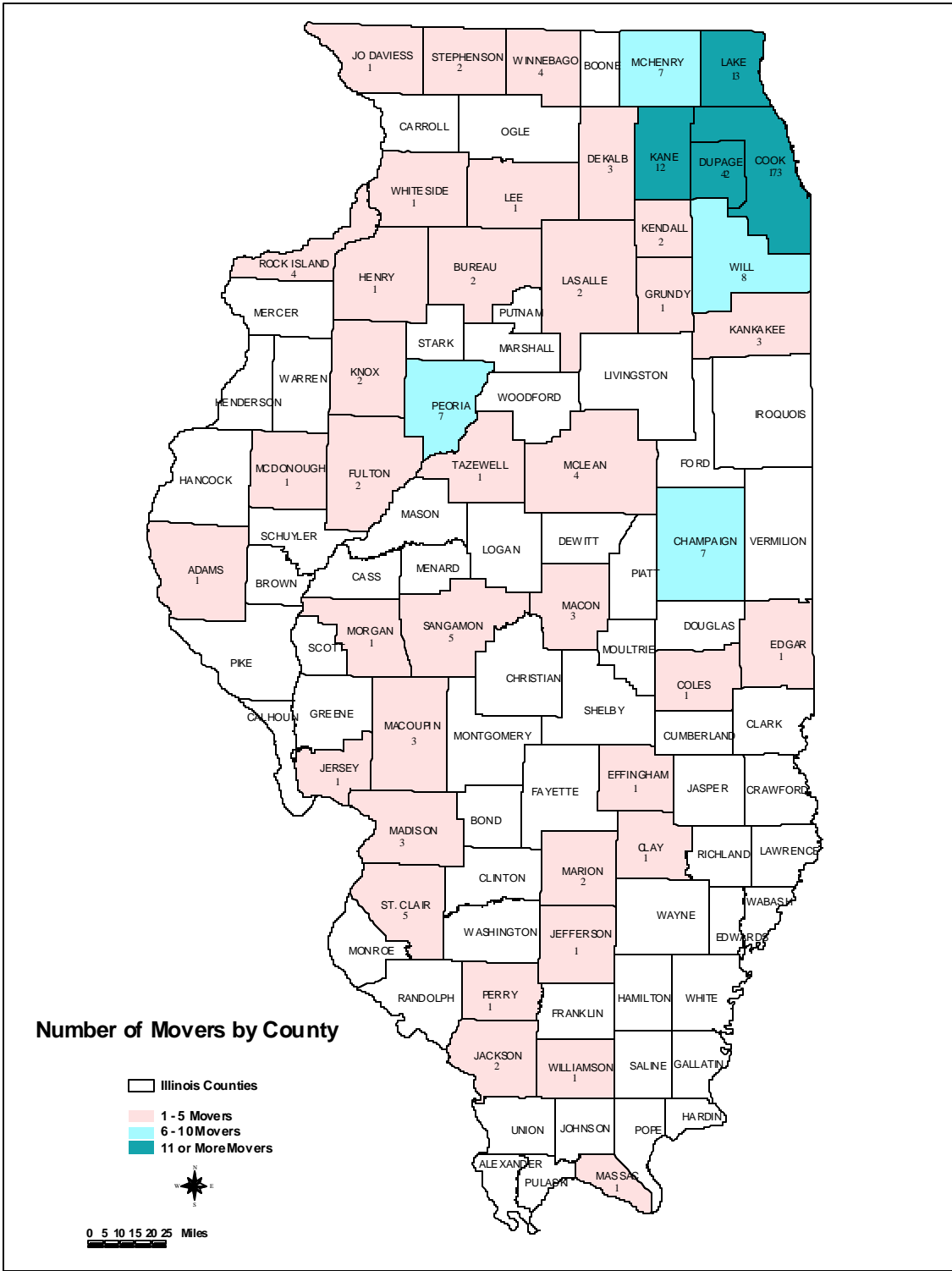


Figure 2. Number of movers per county.

**Total income from all operations: 1997-98-99**

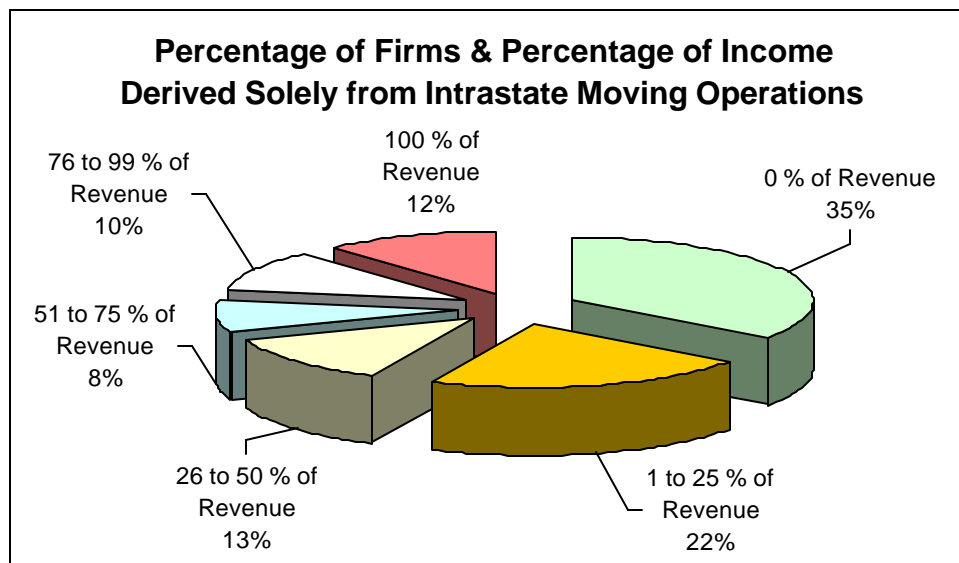
Reported gross revenue and expense from all operations (including household goods operations) of the 365 active movers, increased by twelve percent between 1997 and 1999. The operating ratio (division of total expenses by total revenues) remained steady between 1997 and 1999 at about three percent. Motor carriers that provide household moving services operate on a very small margins. Table 2 provides a summary of revenues derived from all operations of the firm. In general, household goods revenue is only a portion of a firm's overall revenue. Only 23 percent of all active movers, and 12 percent of all filers, rely on income from households moving operations for all of their income.

Table 2. Total gross revenue and gross expense from all operations for the 365 active movers: 1997-98-99.

Period	Gross Income	Revenue	Expense	Operating Ratio
1997	\$30,238,157	\$1,046,269,615	\$1,016,031,458	97.1%
1998	\$26,534,121	\$1,095,023,429	\$1,068,489,308	97.6%
1999	\$26,356,954	\$1,178,281,328	\$1,151,924,374	97.8%
3 years	\$83,129,232	\$3,319,574,372	\$3,236,445,140	97.5%

196 firms who filed returns indicated that they did not generate any revenue from performing intrastate moves. Figure 3 summarizes the number of firms in each of six gross revenue categories.

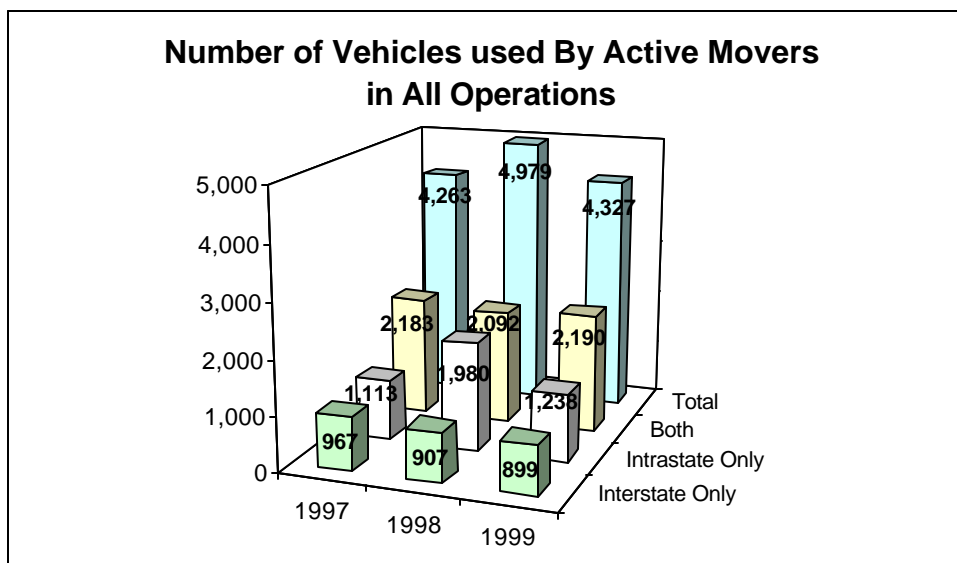
Figure 3. Number of firms per gross revenue category.



**Total number of vehicles used: 1997-98-99**

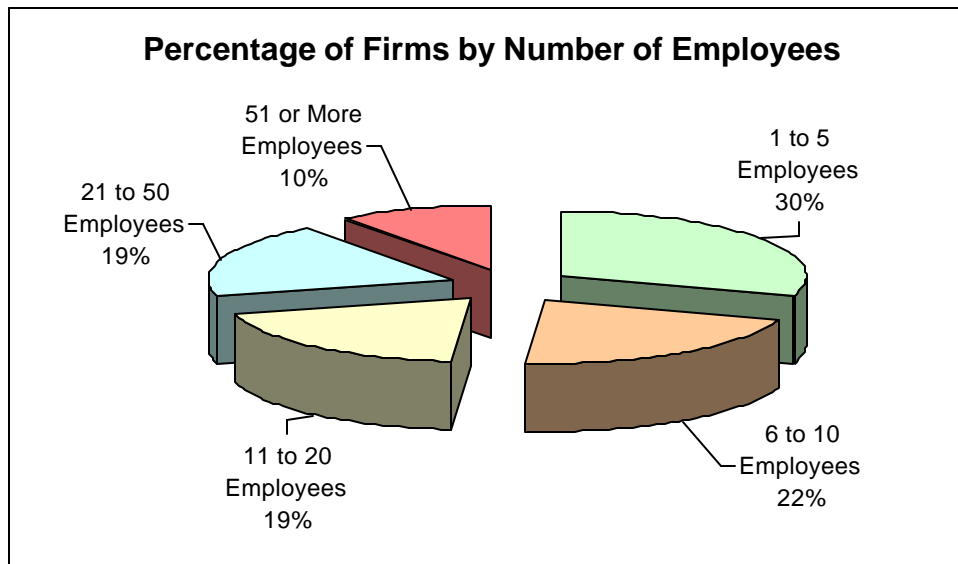
The motor carrier industry maintains an extensive fleet of vehicles to meet the demand for service of all operations. The information provided does not include the number of vehicles that may have been rented by a firm for a short time to handle peak period demand.

Figure 4. Number of vehicles operated: 1997-98-99.

**Total number of individuals employed: 1997-98-99**

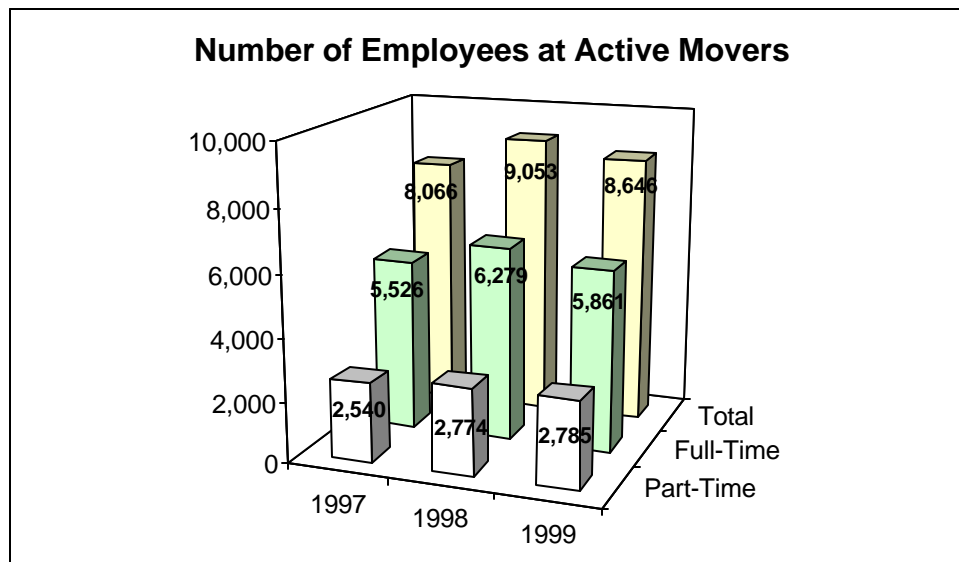
Approximately 78 percent of all employees are employed at moving companies with 20 or more employees. However, only 29 percent of all firms employ 20 or more individuals. Figure 5 summarizes the number of employees and firms for five size categories of firm. The majority of moving companies are small operations with 52 percent of all firms employing ten or fewer workers. Figure 5 presents a pie chart illustrating the fact that most firms employ a small number of workers.

Figure 5. Percentage of firms by the number of employees.



Roughly 70 percent of individuals employed in the household goods industry work full-time, and 30 percent, work part-time. Figure 6 below summarizes the number of full-time and part-time employees employed in all operations.

Figure 6. Average number of full-time and part-time employees: 1997-98-99.

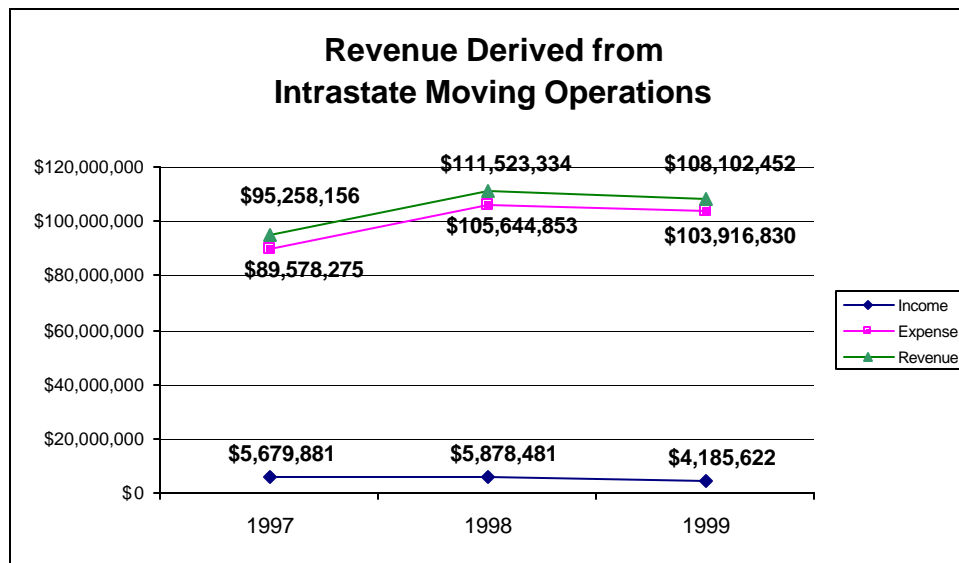


This section of the analysis discussed the **total operations** of all 365 firms who are actively engaged in the household goods industry. Any firm of the 561 firms which filed annual reports between 1997 and 1999 and indicated that they performed at least one move, or received at least one dollar of income from intrastate moving, was considered a firm actively engaged in the moving business. The next section of the analysis will focus on **only** the household goods moving portion of the total operations of the 365 active movers.

**ANALYSIS - PART 2 - INTRASTATE HOUSEHOLD GOODS OPERATIONS OF ACTIVE MOVERS:****Income from moving operations only: 1997-98-99**

On average, the intrastate household goods moving industry has generated approximately \$100 to \$105 million of revenue, over each of the past three years. For 1997 and 1998, this value was not provided directly on the annual reports, but was estimated by applying the percentage of all business which is intrastate moving, against the total value of all operations. For example; if a firm estimates that 40 percent of its operations is the provision of intrastate moving, then 40 percent of its total operating revenue/expense is assumed to be from the household goods moving service. Figure 7 provides a summary of the estimated income derived from providing household goods moving service in Illinois.

Figure 7. Income from intrastate moving operations: 1997-98-99.



The estimated operating ratio for the household goods portion of the total income, was 94 percent in 1997 which increased to 96 percent in 1999; however, the operating ratio for intrastate moving operations is slightly lower than that for all moving operations. This indicates that the household goods moving service operates at a slightly higher profit margin than general for-hire motor carrier service.

**Number of shipments made: 1997-98-99**

Table 3 indicates that the number of intrastate shipments grew slightly by approximately one and one-half percent between 1997 and 1999.

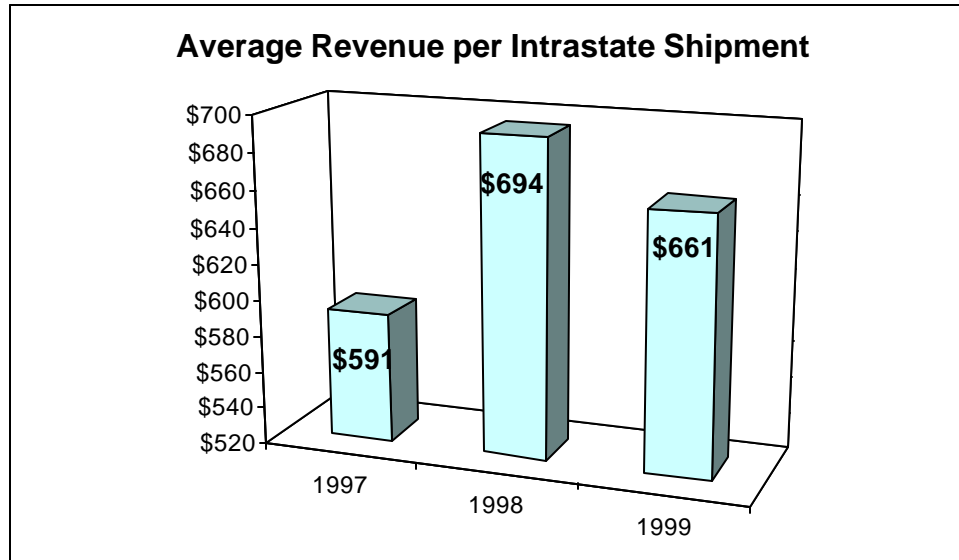
Table 3. Number of local (&lt; 35 miles) and long distance (35 miles or more) intrastate shipments made: total 1997-98-99.

Period	< 35 miles	> 35 miles	Total
1997	138,123	22,848	160,971
1998	137,654	22,824	160,478
1999	136,071	27,344	163,415
Average	137,283	24,339	161,621



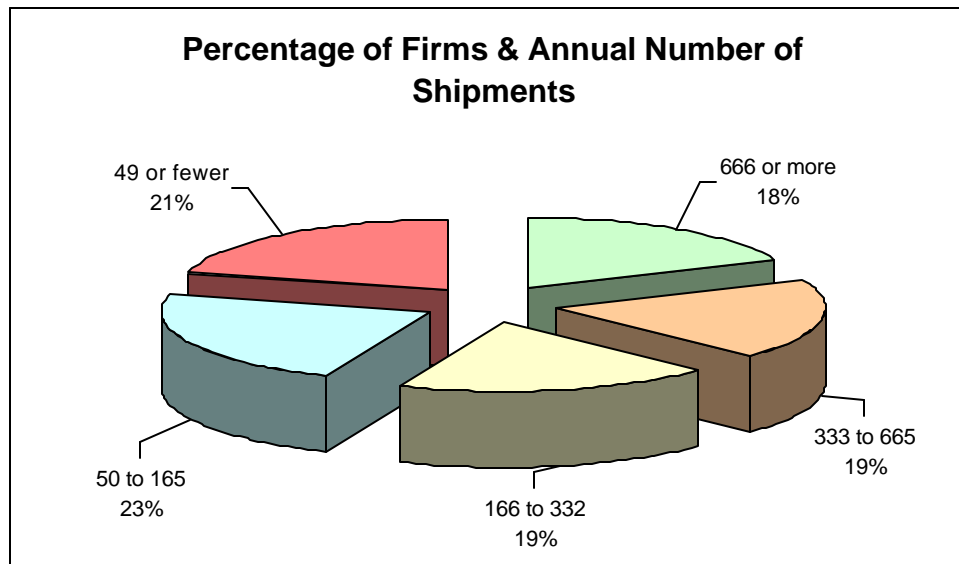
The average revenue per shipment has increased between 1997 and 1999. The average shipment in 1997 generated \$591 of revenue and increased by 12 percent to \$661 in 1999. Figure 8 portrays the rise in the average revenue per shipment.

Figure 8. Revenue per intrastate shipment: 1997-98-99.



Over the three year period analyzed there were approximately 485,000 intrastate moves made within Illinois. Twenty-one percent of the 365 active movers in Illinois made less than 49 shipments per year. Another 23 percent of all movers made between 50 and 165 shipments per year. 18 percent of all firms made 666 or more shipments per year over the three year period. Figure 9 summarizes the percentage of firms by the number of average annual moves they made over the three year period.

Figure 9. Percentage of firms and total number of shipments made between 1997 and 1999.



There were 84 firms which had an average annual revenue of over \$333,334 during 1997, 1998 and 1999. This compares to 96 firms which had an annual average revenue of less than \$33,333 over the three year period. Figure 10 presents a summary of the number of firms per level of revenue.

Figure 10. Number of firms and total gross revenue earned between 1997 and 1999.

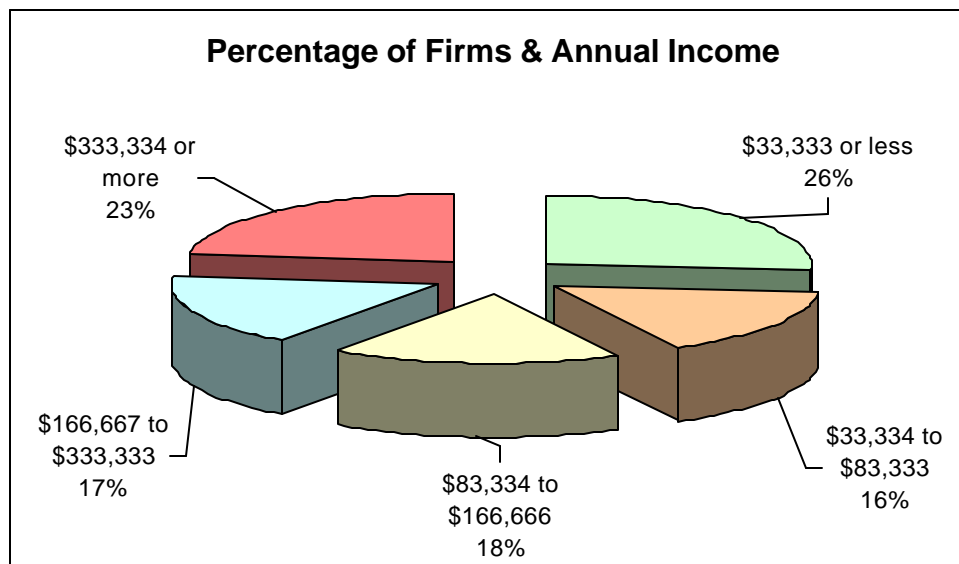


Table 4 provides a list of the top 25 firms in the intrastate moving industry in Illinois. These 25 firms accounted for approximately 40 percent of all revenue over the three year period between 1997 and 1999.

Table 4. Top 25 firms based on income from moving operations 1997-98-99 (97 &amp; 98 revenue estimated).

Rank	Firm	Revenue	Shipments
1	Midway Moving & Storage, Inc.	\$12,788,405	24,460
2	North Shore Movers, Inc.	\$9,683,274	9,830
3	Reebie Storage & Moving Co.	\$7,848,612	9,849
4	All Chicagoland Moving & Storage Co.	\$7,322,537	7,289
5	Federal / Whalen Moving & Storage LLC	\$5,658,675	11,771
6	Glen Ellyn Storage Corporation	\$5,576,341	3,502
7	Nelson - Westerberg, Inc.	\$5,573,760	1,217
8	Golan's Moving & Storage Co.	\$5,540,463	9,681
9	Suburban Moving & Storage Co.	\$5,464,703	5,048
10	Big 'O' Movers & Storage, Inc.	\$5,095,156	2,550
11	Von Sydow's Moving & Storage, Inc.	\$4,817,666	5,631
12	Springfield Van & Storage Co.	\$4,515,126	2,346
13	REO Movers & Van Lines, Inc.	\$4,352,041	1,252
14	Breda Moving Co., Inc.	\$4,277,857	7,750
15	Federal Warehouse Co.	\$3,829,054	7,979
16	Federal / Johnson Moving & Storage LLC	\$3,762,960	7,786
17	Kenny Johnson Moving & Storage, Inc.	\$3,735,628	3,492
18	Shur-Way Moving & Cartage Co.	\$3,710,000	4,294
19	Beltman Group, Inc.	\$3,620,751	1,042
20	Midwest Moving & Storage, Inc.	\$3,581,189	2,498
21	Mordue Moving & Storage, Inc.	\$3,480,391	4,317
22	Burrows Moving Co., Inc.	\$3,389,844	2,902
23	Joey's Movers & Messenger Service, Inc.	\$3,310,281	8,600
24	Jackson / Joyce Moving Services LLC	\$3,248,278	2,553
25	Prager Moving & Storage Co.	\$3,193,699	3,184
<b>Total</b>		<b>\$127,376,693</b>	<b>150,823</b>

Note: Intrastate moving revenue was estimated as a percentage of total revenue for 1997 and 1998. The actual amount of intrastate moving revenue was provided in 1999.

#### Storage of shipments made: 1999

A new question was added to the 1999 survey inquiring if firms provide storage for their customer's goods while in transit. Slightly under half of all active movers (180) indicated that they do provide storage service for their customers.

#### CONCLUSION:

The summary presented in this discussion is based upon data provided to the Commission by firms licensed to provide household goods moving service within Illinois. The data is un-audited and has been accepted as provided. The household goods industry is a significant component of Illinois' overall economy. Approximately 466,000 shipments were made between 1997 and 1999. These shipments resulted in an estimated \$314 million of revenue. On average, each shipment over this time period resulted in about \$632 of revenue and \$600 of expense, yielding an operating ratio for the household goods moving industry of 95 percent.